

LPTV INDUSTRY NEWS - MON. - MAY 2, 2016

...BREAKING...BREAKING....

THE BAND PLAN FROM HELL

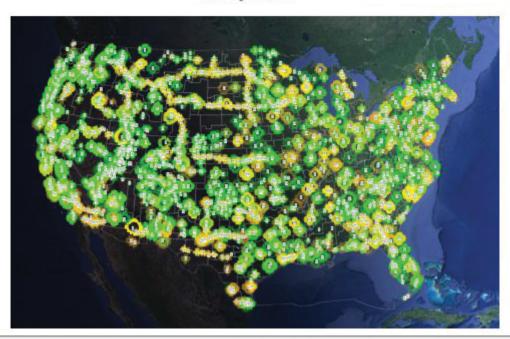
Federal Communications Commission

DA 16-453

Initial Clearing Target Band Plan²

21 22 23 24 25 26 27 28 29 9 A B C D E F 3 37 3 G H I J 11 A B C D E F G H I J 700 MHz UL

Number of Paired Blocks: 10 Total Megahertz: 126



MORE THAN 4632 LPTV AND TV TRANSLATOR LICENSED FACILITIES, NEW CPs, & APPs WILL BE DISPLACED FOR SURE BASED ON THE 126 MHz CLEARING TARGET RELEASED FRIDAY

TOTAL LPTV & TV TRANSLATOR INDUSTRY
DISPLACEMENT COSTS FOR FINDING NEW CHANNELS
AND REBUILDING COULD REACH
AS HIGH AS \$662 MILLION!

NOTE:

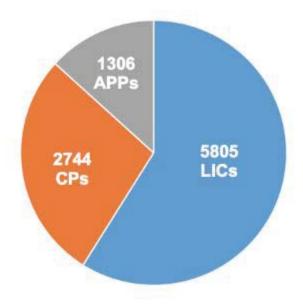
LAST FRIDAY WE WERE INITIALLY INVITED TO THE FCC PRESS BACKGROUND CALL, BUT WERE KICKED OFF AS IT STARTED. SO PLEASE DO READ THE LINKED TRADE PRESS COVERAGE. WE HAVE CONFIRMED FROM TWO SOURCES IN ATTENDANCE DURING THE CALL THAT INDEED THE FCC TOLD THE PRESS ON BACKGROUND THAT IT HAD NOT DONE A SYSTEMATIC STUDY OF THE IMPACTS FROM 126-MHZ BAND PLAN. SO HERE IS OUR VERSION...WE ROUND OFF A LOT SINCE WE ARE TRYING TO SHOW SCALE RATHER THAN EXACTNESS.

HERE ARE THE KEY FCC DOCUMENTS...

FCC PUBLIC NOTICE APPENDIX

THE FOLLOWING ANALYSIS IS BASED ON THE FCC'S LATEST INCENTIVE AUCTION PUBLIC NOTICE AND APPENDIX, AND A MARCH 1, 2016 CDBS DOWNLOAD.

9855 LICs, CPs, & APPs



SO THIS IS OUR TOTAL UNIVERSE TO ANALYZE ...

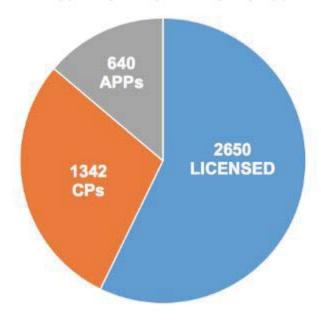
WHAT THE 126-MHz BAND PLAN DOES IS TO MAKE THE NEW TV CORE FROM 2-29, 28 CHANNELS

SO WE NEED TO LOOK AT THE DISTRIBUTION OF LPTV & TV
TRANSLATOR LICENSED FACILITIES, NEW CPs & NEW APPS WHICH ARE
CURRENTLY ASSIGNED OR APPLIED FOR FROM 51-30.

CHANNELS	LICENSED FACILITIES	CONSTRUCTION PERMITS	ACCEPTED APPLICATIONS	TOTALS	
UHF 51-30	2650	1342	640	4632	
UHF 29-14	1953	1015	489	3457	
VHF 13-2	1292	387	177	1856	
TOTALS	5805	2744	1306	9855	

SO THE FIRST ORDER DISPLACEMENTS ARE DIRECT AND 100% KNOWN, ASSUMING THE FCC ACHIEVES THE 126-MHz CLEARING. AND WE CAN NOW SEE THAT THE TOTAL CHANNEL ASSIGNMENTS IMPACTED ARE...

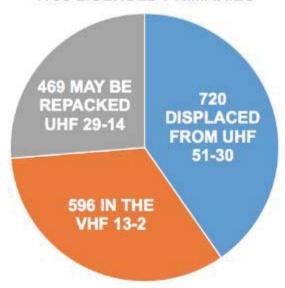
4632 DISPLACED FROM 51-30



REMEMBER, THIS IS ACTUAL REAL 100% DISPLACEMENTS JUST BECAUSE OF THE BAND PLAN ITSELF. IF YOU ARE LICENSED FROM 51-30, THEN YOU WILL GET TO APPLY FOR A NEW CHANNEL FROM 2-29 IN YOUR COMMUNITY OF LICENSE IN THE LPTV DISPLACEMENT WINDOW, APPROX. 6 MONTHS AFTER THE CLOSE OF THE AUCTION, AND AFTER A TRUE-UP CP MOD PROCESS BY THE NON-AUCTION PRIMARIES, AND ELIGIBLE CLASS A'S.

BUT THIS IS NOT ALL, NOT EVEN CLOSE...WE NEED TO LOOK AT THE DISPLACEMENTS OF THE PRIMARY STATIONS, AS THOSE NOT SOLD IN THE AUCTION WILL ALSO BE MOVING TO THE NEW TV CORE 2-29.

1785 LICENSED PRIMARIES



SO WE CAN SEE THAT FOR SURE 720 WILL BE DISPLACED BACK DOWN INTO 29-14, SINCE INVOLUNTARY VHF ASSIGNMENTS CAN NOT BE MADE. THE QUESTION NOW BECOMES HOW MANY TOTAL PRIMARIES AND CLASS A'S WILL SELL IN THE AUCTION? LET'S JUST SAY 500 FOR NOW. SO ABOUT 1285 REMAIN TO REPACK. THROW IN SOME CLASS A'S NOT SOLD, OR NOT NEEDED...HECK LET'S JUST MAKE IT 1500 TO FIND NEW CHANNELS FOR.

SO WHAT THIS MEANS, IS THAT 1500 MOVING PIECES ON THE BOARD, THEREBY DISRUPTING AND DISPLACING THE LPTV & TRANSLATOR LICENSED FACILITIES, CP'S, AND APP'S. BUT THIS IS GETTING CONFUSING...LET'S DO SOME BASIC MATH:

210 TV DMA
X 28 NEW TV CORE CHANNELS 2-29
5880 TOTAL POTENTIAL CHANNELS IN EACH TV DMA

AND WE KNOW THAT ABOUT 1500 REPACKING PRIMARIES AFTER THE AUCTION (BIG GUESS) LEAVING ABOUT 4380 REMAINING CHANNELS FOR LPTV/TX

OH NO! WE KNOW THAT THERE ARE 9855 BUILT, CPs, AND APPS ALREADY IN THE SYSTEM SO HOW DO WE GET 9855 INTO 4380? WHERE DO WE GET ANOTHER 5475 CHANNELS!

TA DAH....DRUM ROLL PLEASE...

LPTV & TV TRANSLATORS ARE NOT GOVERNED BY TV DMA, BUT BY THEIR CONTOUR IN THEIR COMMUNITY OF LICENSE (COL)

THERE ARE ABOUT 2355 LPTV AND TRANSLATOR COL SO WE COULD DO THIS...

2355 LPTV/TX COL X 28 NEW TV CORE CHANNELS 2-29 65,940 CHANNEL OPPORTUNITIES

CURRENT INDUSTRY PRACTICE IS TO "CHANNEL STACK" ON THE SAME FREQUENCY AND TO BE GEOGRAPHICALLY SPREAD OUT IN A LARGE MARKET TO DO IT.

OUR RESEARCH SHOWS THAT IN THE TOP 25 MARKET, WHERE 50% OF ALL LPTV/TX COVERAGE POPS ARE (800 MILLION OF THE 1.6 BILLION), IN THESE MARKETS, "CHANNEL STACKING" IS A COMMON PRACTICE, SO WE THINK IT WILL BE USED AGAIN POST AUCTION.

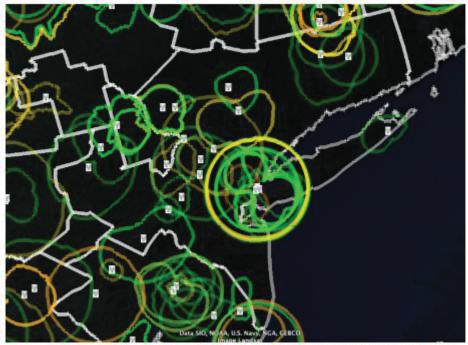
WILL YOU HAVE TO MOVE TOWERS, OR GET THE SAME COVERAGE?

NAB RAN THEIR STUDY AND SHOWED SIGNIFICANT DISPLACEMENTS

ALSO...OUR STUDY IS NOT ENGINEERING BASED AS THEIRS WAS,

OURS IS JUST SIMPLE MATH, AND A DETAILED UNDERSTANDING OF

CURRENT INDUSTRY PRACTICES.



PEA #1 NEW YORK - BIG MAP PROJECTION OF LD. LP, CA, DC LICENSED, CPS, APPS

WILL YOU GET THE SAME COVERAGE, BE ABLE TO SELL CHANNEL LEASES FOR THE SAME PRICE, OR EVEN BE IN THE SAME BUSINESS? IT WILL ALL BE KNOWN AFTER THE AUCTION AND DISPLACEMENT PROCESS. BUT YOU HAVE THE RIGHT TO GO DO IT, AND THE SPECTRUM YOU WILL GET WILL HAVE A TREMENDOUS VALUE, SINCE ITS' VALUE WILL BE PEGGED ON WHAT THE INCENTIVE AUCTION SOLD FOR. FURTHER, AND MOST IMPORTANTLY, YOU WILL HAVE A TICKET TO THE FUTURE OF ATSC 3.0.

BUT THIS WILL COST ALL OF US HARD COLD CASH, CREDIT, AND LOTS OF TIME...

CHANNELS	LICENSED FACILITIES	# TO BE DISPLACED	RELO COSTS	TOTAL COSTS
51-30	2650	2650	\$150K	\$375 MILLION
29-14	1953	1200	\$150K	\$180 MILLION
13-2	1292	300	\$150K	\$45 MILLION
111	5805	4150	\$150K	\$622 MILLION

AND WE NEED TO NOT FORGET ABOUT THE CP'S AND ACCEPTED APPLICATIONS, SINCE THEY ALSO HAVE A REAL COST. WE ARE ASSUMING THAT 100% OF ALL CPS AND APPS WILL BE DISPLACED AND HAVE TO REAPPLY. THE BASIC SUNKEN COST IS APPROX \$5K EACH, AND NEW LEGAL AND ENGINEERING WILL ALSO BE \$5K, SO \$10K TOTAL FOR EACH CP AND APP, COMING TO A TOTAL OF \$40 MILLION.

\$622 MILLION FOR RELOCATION MOVES \$40 MILLION FOR NEW APPLICATIONS \$662 MILLION ESTIMATED HARD COSTS FOR THE 9855 LICENSES, PERMITS, AND EXISTING APPS

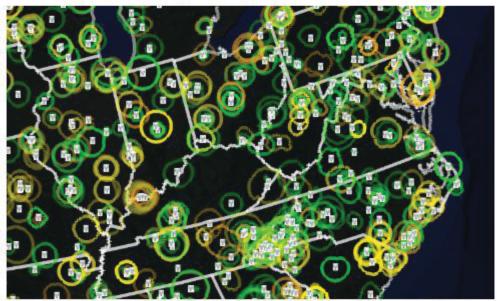
THERE ARE OTHER DIRECT IMPACTS TO COMMUNITIES OF LICENSE ...

ALBUQUERQUE, NM = 8 OF 9 LICENSED LD ARE DISPLACED ATLANTA, GA = 6 OF 11 LICENSED LD ARE DISPLACED BAKERSFIELD, CA = 5 OF 9 LICENSED LD ARE DISPLACED AND THE LIST GOES ON....MORE AS WE GET THROUGH THE DATA.



LPTV INDUSTRY NEWS - TUE. - MAY 3, 2016

...THE DEVIL IS IN THE DETAILS...



COALITION BIG MAP OF CA, LD, LP, TX AND CPs WHICH WILL BE DISPLACED BY 126-MHZ BAND PLAN DOES NOT SHOW THE SECONDARY DISPLACEMENTS FROM 29-2 AS A RESULT OF REPACKING PRIMARIES

NOT EACH MARKET IS THE SAME!!

THE 126-MHz BAND PLAN DOES NOT WORK IN EACH MARKET, SO 2-29 IS NOT THE NEW TV CORE IN EACH MARKET

SIX BASIC BAND PLANS USED IN 11 VARIOUS CONFIGURATIONS TO ACHIEVE THE NATIONAL CLEARING OBJECTIVES

DO YOU KNOW YOUR BAND PLAN?

Federal Communications Commission

FCC 14-191

10. The 600 MHz Band Plan we adopted in the *Incentive Auction R&O* consists of an uplink band that will begin at channel 51 (698 MHz), followed by a duplex gap, and then a downlink band.²⁷ Because the incentive auction may be conducted in several stages, each for a different "spectrum clearing target," we adopted a set of band plan scenarios based on the number of television channels cleared.²⁸ Figure 1 shows the band plan scenario associated with each potential spectrum clearing target.

12	144	21	2	1 2	3	24	25	26	1	Α	a	C	D I		0	H	D.		3	37	3	C L	1	117	A	B	c	D	E	E	0	14	0	1	×	L.	700MHz UL
11	138	21	2	1 2	9	24	25	26	27	1	10	E.	D	0 0	ı	F	G	В	3	37	3	1	К	13	0/	A	n	Ē	D	E	B	-	H	d,	J	К	700MHz UL
10	126	21	12	2	3	24	25	26	27	28	29	175	5	A B	¢	D	B	F	3	37	3 6	H	1	3	100	0/2	A	8	¢	D	6	F	0	M	1	4	700MHz UL
9	114	21	2	1	9	24	25	26	27	28	29	30	31	7	A	*	c	2	2	37	3	1	a	н	D	1	1/	A	ш	C	D	•	P	0	*	П	700MHz UL
8	108	21	2	1	3	24	25	26	27	28	29	30	31	32	20	100	A		3	37	3 0	D	E	E.	9	н	1	1/	Α	B	C	D	В		G	н	700MHz UL
7	84	21	2	T	3	24	25	26	27	28	29	30	31	32	33	34	3	5 3	ij	37	3 4	N I	0	D	0	LO.	G	00	1/	0		C	D		•	0	700 MHz UL
	78	21	2	7	3	24	25	26	27	28	29	30	31	32	33	34	19	5 3	8	37	38	A.	A	В	9	D	8	u	1	V	A	8	C	D	E	E	700MHz UL
5	72	21	2	2	3	24	25	26	27	28	29	30	31	32	33	34	38	3	6	37	38	39	101	1/	A	Ð	0	0	E	1	V	A	0	0	D	C	700 MHz UL
4	90	21	2	1 2	3	24	25	26	27	28	29	30	31	32	33	34	13	5 3	6	37	30	38	40	41	10	97		п	C	D	1	1/	Α	0	C	D	700MHz UL
3	48	21	12	1	3	24	25	26	27	28	29	30	31	32	33	34	3	3	8-	37	38	35	40	41	42	4	3 1	1	A	0	C	OA.	1/	A	0	0	700MHz UL
2	42	21	2	2	3	24	25	26	27	28	29	30	31	32	33	34	12	5 3	6	37	38	39	40	41	142	4	3 4	4	11	00	A	o		1/	A	В	700MHz UL

Figure 1: Band Plan Scenarios

Well folks, while we were deep into a data dive about the impacts of the band plan on the entire industry, the obvious slapped us across the face into realizing that in order to achieve the lofty goals of the Commission, that there are 11 different configurations of clearing needed to make this all work for the FCC. Assume any of the 416 PEAs not mentioned below are the full 126-MHz, down to 30 plan.

Here is the Appendix which came along with last week's Band Plan.



GET THE PDF OF ALL 416 PEAS

PEA ID	PEA Name	Blocks With Zero Impairment	Blocks with More Than Zero Impairment**	Total Category 1 Blocks	Total Category 2 Blocks	
PEA001	New York, NY	9	1	10	0	
PEA002	Los Angeles, CA	5	0	5	0	

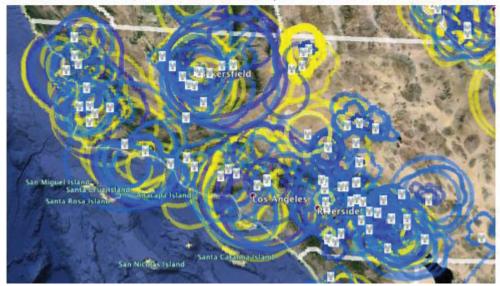
In PEA001, New York City area (which actually goes all the way through CT to the RI border), while there is 1 block with some impairment, the FCC is clearing and selling 10 full blocks of spectrum, or 100-MHz, and 26-MHz of gap and guard bands. But next in PEA002, LA, they are selling only five (5) 10-MHz blocks, which is hybrid between Band Plans 2 or 3, 42-MHz to 48-MHz. We assume in the LA PEA (see map below) the new TV core will be 2-43 or so.

3 48 21 22 23 24 25 26 27 28 29 30 31 32 25 34 35 38 38 40 41 42 43 7 A B C 11 A B C 700MHz UL
2 42 21 22 23 24 25 26 27 28 29 30 31 32 35 34 35 38 37 38 30 40 41 42 43 44 31 A B 13 A B 13 A B 700MHz UL

Do these band plans assume 7+ station sales and almost total relocation of all primaries? Or is this just a lot of LPTV and translator displacements? Below is the LA PEA002 map all the way east the NV border.



And here are the CA. LP, LD, and TX licenses and permits in PEA002 from channels 2-51



And so it goes...next less than 10 cleared blocks is the DC/Baltimore PEA005, which only can clear eight (8) 10-MHz blocks, or the 108-MHz band plan.

	P 2	- 1	1		
PEA005	Baltimore, MD-Washington, DC	7	1	8	0
PEA006	Philadelphia, PA	8	1	9	0

8 106 21 22 23 24 25 26 27 28 29 30 31 32 11 A B 3 32 3 C D E F G M 11 A B C D E F G M 700MHz UL



And the coverage maps of the potentially displaced CA, LP, LD, and TX in the PEA



...RURAL COMMUNITIES ON THE HOOK TO PAY \$MILLIONS FOR FREE TV...



COALITION BIG MAP OF CALLD LP TY AND CPS IN THE LITAH AND ADJOINING STATES

RURAL DAMAGE ESTIMATES FAR EXCEED FCC & CONGRESSIONAL ESTIMATES

THE TRUE COST OF THE INCENTIVE AUCTION TO RURAL AMERICA'S FREE TV

MANY SMALL RURAL COMMUNITIES WILL HAVE TO FINANCE SIX FIGURE DISPLACEMENT CHANNEL RELOCATION COSTS OUT OF POCKET - IS THIS WHAT THE 112TH CONGRESS WANTED?

HERE ARE SOME OF THE DAMAGES AT THE LOCAL LEVEL

DOES <u>NOT</u> COUNT DISPLACEMENTS WITHIN 29-14
THIS CHART IS ONLY FOR THE KNOWN 51-30 DISPLACEMENTS

COMMUNITY OF LICENSE	STATE	TOTAL # LICENSED	# LICENSED 51-30	AVERAGE \$ COST/MOVE	TOTAL
ANCHORAGE	AK	8	4	\$ 150,000	\$600,000
ABILIENE	TX	7	4	\$150,000	\$600,000
AKRON	со	8	5	\$150,000	\$750,000
ALAMORORDO	NM	12	6	\$150,000	\$900,000
ALBUQERQUE	NM	10	8	\$150,000	\$1,200,000

THE LIST GOES ON FOR MORE 2200+ COMMUNITIES OF LICENSE. WE HOPE TO HAVE A DETAILED ANALYSIS IN TIME FOR THE NATIONAL TRANSLATOR ASSOCIATION CONVENTION THE WEEKEND OF THE 13TH.